

April 14, 2000

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ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

Ms. Donna M. Caton
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62706

Re: Consumers Illinois Water Company – Kankakee Division
Proposed Increase in Water Rates

Dear Ms. Caton:

Attached hereto for filing on April 14, 2000, to become effective for service rendered on or after May 29, 2000, are four copies of the following Tariff Sheets:

Ill. C.C No. 5

Fifth Revised Sheet No. 1

Cancelling Fourth Revised Sheet No. 1

Sixth Revised Sheet No. 2

Cancelling Fifth Revised Sheet No. 2

Seventh Revised Sheet No. 3

Cancelling Sixth Revised Sheet No. 3

Fifth Revised Sheet No. 4

Cancelling Fourth Revised Sheet No. 4

Original Sheet No. 17

Original Sheet No. 18

Original Sheet No. 19

proposing a general increase in water rates for the Company's Kankakee Division ("Division"). Under the new rates, the Division's annual revenue for water service would increase by approximately \$1,625,808 an increase of approximately 19.12%.

As the enclosed testimony of Mr. Bunosky explains, the requested increase is necessary to provide the Company with an opportunity to earn a fair return on its investment in utility plant and to recover operating expenses. The Kankakee Division's last rate Order was issued on June 3, 1998, in Docket 97-0351. The rates established in that case were based on an adjusted 1996 test year. Since that time, the Division's rate base has increased considerably. For the 2001 test year, the rate of return on common equity for the Kankakee Division has declined to 3.10% at present rates. The most significant factor affecting the need for increased revenue for the division is the Company's investment of \$7.5 million in the year

KANKAKEE COUNTY
1000 S. Schuyler Avenue
P.O. Box 152
Kankakee, IL 60901-0152

WILL COUNTY
2500 Federal Signal Drive
P.O. Box 788
University Park, IL 60466-0788

LEE-BOONE-KNOX COUNTY
5301 East State Street
Suite 217
Rockford, IL 61108

VERMILION COUNTY
322 N. Gilbert Street
P.O. Box 1130
Danville, IL 61834-1130

2000, the majority of which will be invested in a new tank, new and replacement water mains and water treatment plant improvements. Recognition of increased expenses and rate base is necessary to enable the Company to earn a reasonable rate of return on the investment in utility plant.

The proposed tariff changes are identified and explained in Schedules E-3 and E-4 of CIWC Exhibit 11.0, and the enclosed testimony of Mr. Bunosky. The Company's "Request for Waiver" to use the Standard Information Requirements proposed by the Commission Staff in Appendix "B" of Staff's Initial Brief in Docket 93-0351, as modified in certain respects ("Requirements") is pending before the Commission at Docket 00-0131. Enclosed is one copy of the Testimony and Exhibits of the Company's witnesses and Schedules of the Requirements. Also enclosed is one copy of the General Information Requirements, submitted pursuant to Subpart B, Sections 285.305 and 285.325, of the Requirements, and one copy of workpapers supporting the Schedules of the Requirements, submitted pursuant to Subpart C, Section 285.140 of the Requirements.

A copy of this letter, along with the requisite number of copies of the enclosed materials is also being provided today to the Manager of the Public Utilities Division of the Commission, as follows: seven copies of the Testimony and Exhibits of the Company's witnesses, seven copies of Exhibits 11, 12 and 13 (containing the Schedules of the Requirements) and one copy of the General Information Requirements and Workpapers.

In accordance with 83 Ill. Admin. Code Part 225, the Company has posted public notice of the proposed changes concurrently with this filing and will cause notice of the instant filing to be published in a secular newspaper in an area where there are customers affected by the filing. The Company will also send notification of this filing to its customers in the first bill issued after the filing date.

Copies of filings and notices in this proceeding should be sent to:

Mr. Thomas Bunosky
Consumers Illinois Water Company
1000 South Schuyler Avenue
Kankakee, IL 60901-0152
815-935-6535 Ext.530

Kathy L. Pape, Esq.
Philadelphia Suburban Corporation
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
610-645-1142

Mr. David W. Leppert
Consumers Water Company
1000 South Schuyler Avenue
Kankakee, IL 60901-0152
815-935-6535 Ext. 521

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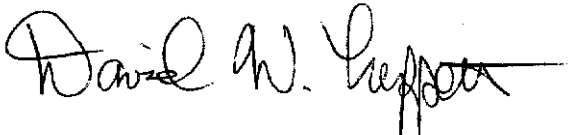
APR 14 2000

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Page 3

I am also enclosing two additional copies of this letter with attachments for your convenience in acknowledging receipt thereof. Please return one copy each to Ms. Pape and me.

Very truly yours;

A handwritten signature in black ink, appearing to read "David W. Leppert", with a long horizontal flourish extending to the right.

David W. Leppert
Vice President

Enclosures

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